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The overall problem is the matter of Dukakis changing his tune. The feeling inside the Party is that he has not yet made the change, and that he must. But can Dukakis really change his tune? And if so, how?

9) Dukakis got his first real briefing from CIA Director William Webster and his deputy, Robert Gates, apparently last week, but nothing public has been or will be said. The CIA consensus: Dukakis seemed totally in the dark about some key Israeli-Arab issues, didn't seem to know much about the Middle East, and appeared astonished at what he learned. That feeds Republican convictions about his vulnerability on the broader national security issue, which he himself has made clearly worse by taking up the Pledge of Allegiance gauntlet.

**GOP:** We are among the dubious, but there is no doubt that George Bush is a much different person as the Presidential nominee that he was as Vice President -- more decisive, more confident. Nobody is telling Bush jokes these days, and nobody is calling him a wimp:

1) The heart of Bush's current campaign is a little mechanical: an appeal to the Reagan Democrats by stressing social issues that certainly are not viscerally in Bush's lexicon. But he is doggedly sticking to it, helped along by the aforementioned Dukakis decision to debate the Pledge of Allegiance.

2) Bush is trying to do the same thing on the national security issue, but he has been stepping on his own lines by an innate tendency to move toward the middle of the road. The most salient example of this was Bush's remarkable New York Times' interview in which he backed away from his belated SDI early deployment position. QB then waffled again by seeming to back away from the interview in a Texas speech the next night, but not before Duke said that he and Bush were in agreement on strategic defense.

3) Normally such waffling, along with Bush's apparent abandonment of the Contras in his rhetoric, would be enough to get the Right enraged. But the Quayle appointment has just about ruled out any possibility of a Right Wing defection -- the most important and perhaps only asset from the bizarre Vice Presidential selection.

4) Otherwise, the GOP has done the old Richard M. Nixon-Spiro Agnew trick of turning a negative into a political neutral by baiting the news media, which remains very unpopular indeed. The fact that the debate is now about whether the media went too far, rather than about Quayle's qualifications, shows how well this works.

5) Oddly, the preoccupation with the National Guard and Paula Parkinson has taken Quayle off the hook on the aspect of his background that many polls thought was the most potentially damaging -- his immense wealth. Now, any reopening of that phase will start the media "feeding frenzy" argument again.

**Quayle:** In a two-day swing with the GOP V.P. nominee, we extracted the following:

1) Young and wet behind the ears though he is, don't make the mistake of thinking Quayle can't campaign. He is a first-rate extemporaneous speaker, not so smooth when reading.

2) He got good receptions everywhere, even before mixed meetings of Democrats and Republicans, partly due to the aforesaid rising hostility against the press.

3) A major Quayle plus is Marilyn, his wife, whose televised interview with Barbara Walter was widely acclaimed as the best thing that has happened to Danny since near-disaster struck 10 days ago. She is witty, tough, cerebral and self-controlled.

4) Our conclusion: If nothing more is found in his background, Quayle will emerge as a creditable nominee, although not a major asset, to be sure. One warning: Why has George Bush refused to let his V.P. background researcher, Bob Kimmitt, talk about his Q&A experience with Quayle? Is there something still to come? We may never know.

**The Debates:** The negotiations, beginning today between Baker and Brountas, are geared to two points: 1) Bush wants no more than two debates, Dukakis wants at least three or four; 2) Bush wants a press panel, Dukakis wants one-on-one. As we see it, Baker has cleverly set the stage for maximum two-debate format at the top of the ticket, and no Vice Presidential contest at all.

By delaying the first debate to some undeclared point after Sept. 20 -- when the Olympics start, followed by the baseball playoffs and World Series into late October -- Baker has used these events to foreshorten the autumn "debating season" markedly.

Moreover, what is clear now -- painfully so for the Dukakis camp -- is that the Bushies have been systematically lowering expectations about their man's performance so that any Bush competence will look pretty good, just as Ronald Reagan's did in 1980 against Jimmy Carter. The Dukakis forces are now trying to say that both men are pretty good, but not great debaters -- which is closer to the truth than making QB a pronounced underdog.

#### THE REAGAN ADMINISTRATION

# EVANS-NOVAK POLITICAL REPORT

WHAT'S HAPPENING . . . WHO'S AHEAD . . . IN POLITICS TODAY

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To: Our Subscribers  
From: Evans-Novak

Vice President George Bush (R) has clearly grasped the initiative from Massachusetts Gov. Michael Dukakis (D) since the end of the two Party Conventions in the 1988 Presidential race. Less important than the insubstantial lead in national polls is Bush's new decisiveness on the stump and his current focus on social welfare issues in going after the "Reagan Democrats."

For the first time since last March, Dukakis is in trouble. He simply has not shown well since the Atlanta Convention, and has not turned the corner since his nomination and the end of his long, drawn-out struggle with Jesse Jackson. Old pros are sending the word to the Dukakis camp that their man "is running like a dry creek," and simply does not have a theme. Dukakis has not responded to Bush's new burst, and has not found a way to force the Bush campaign into more than two, late-campaign Presidential debates.

While we have yet to find anybody outside the Bush inner circle who really feels that Sen. Dan Quayle (R-Ind.) is a good Vice Presidential choice, it is clear that he will stay on the GOP ticket and has passed his 10-day ordeal of fire. Republicans have been so skillful in turning the issue against the news media that some Bushies even claim that Quayle will turn out to be a net plus. That may be going a little far, but the very real possibility as we left New Orleans of Quayle dragging down the ticket now seems remote.

Nevertheless, our fourth Electoral College roundup finds Dukakis actually gaining 10 electoral votes in 10 days since our previous roundup that have been Bush's best since he was coaring through the primaries. But not too much should be made of this in view of the nip-and-tuck deadheat between the two candidates in state after state. The most important developments have been Dukakis' slip in California -- a state he can ill afford to lose.

Despite the continued inflation scare and talk about yet another pre-election discount rate increase, the odds are nearly prohibitive against another boost by the Federal Reserve board. That is very good news for George Bush, who could hardly sustain such a heavy blow.

## LECTORAL COLLEGE ROUNDUP #4

Leading GOP: Arkansas (6), Colorado (8), Connecticut (8), Delaware (3), Georgia (12), Kentucky (9), Louisiana (10), Maine (4), Montana (4), Nevada (4), New Hampshire (4), New Jersey (16), North Carolina (14), North Dakota (3), Ohio (23), Oklahoma (8), South Dakota (3), Tennessee (11). Total: 150 Electoral Votes.

Probable GOP: Alabama (9), Alaska (3), Arizona (7), Florida (21), Indiana (12), Idaho (4), Kansas (7), Mississippi (7), Nebraska (4), South Carolina (8), Utah (5), Virginia (12), Wyoming (3). Total: 102 Electoral Votes.

Total GOP Electoral Votes: 252

Leading Democratic: California (47), Illinois (24), Michigan (20), Missouri (11), New Mexico (5), Oregon (7), Washington (10), West Virginia (6), Texas (29), Wisconsin (11). Total: 160 Electoral Votes.

Probable Democratic: District of Columbia (3), Hawaii (4), Iowa (8), Maryland (10), Massachusetts (13), Minnesota (10), New York (36), Pennsylvania (25), Rhode Island (4), Vermont (3). Total: 116 Electoral Votes.

Total Democratic Electoral Votes: 286.

How is it possible for the Duke to add 10 electoral votes to his slim lead of 10 days ago during a period dominated by the Bush campaign? Because the numbers are illusory, based mainly on a debatable analysis of ours that at this moment Texas is led by the Dukakis-Bentsen ticket. More significant are Dukakis' dips elsewhere, particularly in California.

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pollsters, and our own analysis, these are the

last 10 days:

1) We switch Texas and its 29 electoral votes from GOP to Democratic. Actually, it's been a dead heat ever since Bentsen was named to the ticket to checkmate Bush, but we have seen polling data that indicates a tiny Democratic lead at the moment.

2) As part of Bush's general surge, we switch New Jersey and Delaware from Democratic to GOP for the time being.

3) The biggest change of the 10-day period, which does not show up in the overall Bush-vs.-Dukakis rundown, is changing California and Illinois from Probable to Leaning Democratic. These states showed huge Dukakis leads around the time of the Democratic Convention. It is hard to see how Duke can win without carrying both of them. Polls show the 12-to-17 point Dukakis lead in California has now faded to the 4-to-7 point range.

4) Based on polling data and real effort by the conservative Democratic Establishment, we shift Georgia from Probable to Leaning GOP.

IN SUM, we see a very close race based on six Big Battleground States: California, Texas, Michigan, Illinois, Ohio, and New Jersey. All are today pretty close to even, but we give Bush only Ohio and New Jersey. That means he would have to go ahead in just one of the other four states to take the Electoral College lead.

### PRESIDENTIAL, '88

The surprising development on the Presidential scene is not how close it is but how much Bush has managed to dominate the news and the campaign since the two Conventions ended. That is partly the fruit of the unwanted Quayle controversy, but it also reflects the fact that Bush is commanding the strategic heights of the Presidential election at the present time. Nor can this be ascribed to the brilliance of the newly-arrived National Campaign Manager James A. Baker III. It is a combination of the theme laid down during Campaign Manager Lee Atwater's tenure and the failure of Dukakis so far to adjust to the general election campaign.

Democrats: For those who say that Mike Dukakis' campaign is in desperate trouble, a reminder that we have not even reached Labor Day ought to be in order. It recalls the famous crippe-Howard newspapers' admonition to Dwight David Eisenhower in August, 1952 -- more than 40 months before his great landslide -- that Ike was "running like a dry creek." Still, these hints have to be made:

1) Senior Democratic figures, alarmed by the sudden disappearance of a 17-point lead, are telling the Dukakis camp that he must show some theme. They are saying, either implicitly or explicitly, that the aura of confident technocrat that was adequate for the primaries simply will not do against the Republicans.

2) The Dukakis response is that he is campaigning on the issues, but the media just isn't report it. The answer to that, of course, is that he is not saying anything sufficiently interesting to report.

3) The deeper problem for Dukakis is that he offers no theme other than "time for a change." He cannot credibly campaign on the economic issue, and there is no foreign policy position. That leaves the "please" question, which is a hard platform on which to travel to White House.

4) The most startling mini-blunder for Dukakis the past 10 days has been his decision to make a Harvard Law Review argument on the Pledge of Allegiance issue and keep it alive for over two days -- a mistake which boggled Democratic polls. We never thought Bush and Atwater would make an issue of the Pledge of Allegiance veto, but Dukakis took the bait.

5) That raises the further question of why nobody raised the subject with Dukakis, and, they did, whose advice would have been taken. The one peer in the campaign is Campaign Manager Paul Bruntz, but his skill is in managing the Vice Presidential selection and setting the Debate format, not giving hard, practical political advice. And would such advice be taken anyway? Remember: Michael Dukakis is -- and always has been -- a very stubborn

6) The Dukakis slide also has raised questions about whether Campaign Manager Susan Schwab, who was justly celebrated during the march to the nomination, is the right person for the general election. She has experienced trouble marshalling some of the regular Democratic leaders for the general election campaign, particularly in the South.

7) What is so annoying to Democratic politicians and other supporters of Dukakis is all the time he is spending at home as Governor of Massachusetts, while Bush has been campaigning for 14 straight days as of yesterday. The Governor's insistence that he still has a job is maddening for his supporters, considering the fact that he has only a little more

**FRB:** Although the alarmist soothsayers on Wall Street are sure of another discount rate increase before the election that could indeed mean the balance of power tilting in Dukakis's favor, here follow reasons why a second rate increase before November 8 is improbable:

1) The feeling by most Fed Governors that inflation indicators justified a new rate increase was weak; in fact, it was internal Fed politics (the intense pressure by Federal Reserve Bank regional presidents) that put the heat on for a discount rate hike. Had there not been a rate boost, the next week's Federal Reserve Open Market Committee (FOMC) meeting would have truly been a free-for-all. All this at a time when a confluence of forces cannot be easily located.

2) Reaganite Governors headed by Manuel Johnson and Wayne Angell are determined not to target GNP -- that is, to tighten everytime the economy starts growing -- and, therefore, are not eager to participate in the undermining of the Reagan Recovery.

3) While Chairman Alan Greenspan was eager to prove to Wall Street that he was not the political lackey of his friend Jim Baker, neither is he likely to be part of a second discount rate increase that would rain on the Bush-Baker parade at the worst possible moment.

4) The strong feeling among the Fed Governors is that it will take some statistical evidence -- far more than is on the horizon right now -- to force another discount rate increase.

5) The Fed's agreement to participate with other Central Banks in the G-7 currency stabilization agreement was one reason for the failure to go along with the regional bank Presidents at first. The rise of the Dollar after the Aug. 9 rate increase exerts considerable pressure on the Governors not to go to another rate increase.

**U.S.-U.S.S.R.:** A real crisis is brewing over the manner and the results of the death of Pakistani President Zia al-Huk two weeks ago. These notes:

1) Top State Department diplomat Michael Armacost has scheduled an unannounced trip for Moscow to take up with top Soviet officials whether the out-loud threats against Zia by high Soviet officials point toward Soviet help in murdering Zia.

2) No one yet knows how exactly Zia's plane crashed, but the Pakistani air force privately claims it has proof that it was hit by a "missile" -- most probably a U.S.-supplied Stinger brought to Pakistan from the guerillas in Afghanistan.

3) Even if it cannot be proved that the plane was sabotaged, and if it cannot be proved that the Soviets played a role, the death of Zia is going to have a profound and disturbing impact on both U.S. relations with Pakistan and U.S. influence throughout Southwest Asia.

4) Only Zia had the clout to change U.S. policy after the Soviet invasion of Afghanistan. If his successor is Benazir Bhutto, Pakistani relations with Moscow will inevitably improve. And what effect would that have on the new government in Kabul?

5) The view in Washington is that with Zia gone, the Kabul regime may be kept inside the Soviet orbit, even without Soviet troops whose withdrawal seems unstoppable.

6) But if the U.S. does find and accept as valid any evidence putting the Soviet finger on the Zia death button, RR and Sec. of State George Shultz will have to go to the mat -- a confrontation that could end the current state of U.S.-U.S.S.R. harmony. To do anything less would give Dukakis and the Democrats a powerful weapon to use in trying to turn around the Dukakis-is-soft-on-national-security charges.

#### ATELINES

**California:** Just as Dukakis' lead against Bush here is slipping, Lt. Gov. Leo McCarthy has made up about half the ground against Sen. Pete Wilson (R). Democrats think this one still winnable, no matter what happens on the Presidential level.

**New Jersey:** It's not really close yet, but retired Gen. Pete Dawkins (R) is finallying up some ground against Sen. Frank Lautenberg (D).

**Minnesota:** The DFL is beginning to despair about State Atty.

**Hubert Humphrey III** taking Sen. David Durenberger (R) in what had looked like an exciting race at one point. Odds on Durenberger are climbing to a point that begins to look prohibitive, despite the actor's personal problems the past six years.

*Robert E. Runt D. Vonder*